FILE COPY

FILED
SEP 12 1949
CHARLES ELMORE CROPLEY
CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1949.

No. 331

BERNARD EDWARD CO.,
Petitioner,

vs.

DOUGLASS R. FALKENBERG,
Respondent.

PETITION FOR A WRIT OF CERTIORARI AND BRIEF IN SUPPORT THEREOF.

WILL FREEMAN,
Counsel for Petitioner.

W. M. VAN SCIVER,
Of Counsel.
Chicago, Illinois,

THE BLAKELY-WARREN PRINTING COMPANY, 810 WEST JACKSON, CHICAGO

INDEX.

	PAGE
Petition for a Writ of Certiorari	1
Summary Statement of Matters Involved	2
Jurisdiction	4
Questions Presented	4
First Question—Misuse	4
Second Question—Contributory Infringement	5
Third Question—"Cuno" Doctrine	5
Reasons for Granting the Writ	6
Conflict With Applicable Decisions of This Court	6
Conflict With Decisions of Other Courts of Appeals	7
Important Federal Question Which Has Not Been Decided by This Court	8
Conclusion	9
Brief in Support of Petition for Writ of Certiorari	11
Opinions of the Courts Below	11
Specification of Errors	12
Summary of Argument	13
First Question—Misuse and Unclean Hands	13
In General	13
Each Patent Claim is a Separate Monopoly	18
The "Mercoid" Doctrine	20
The Maxim of "Unclean Hands"	24
Second Question—Contributory Infringement	29
Third Question—The Court Below Rejected This Court's "Cuno" Decision	37
Conclusion	39

TABLE OF AUTHORITIES CITED.

The Alemite Company v. Jiffy Lubricator Company, (C. A. 8th Decided August 17, 1949. Cases Nos. 13,835 and 13,840—not yet reported) 8, 38

American Lecithin Co. v. Warfield Co., 105 F. (2d) 207, (C. A. 7th, 1939) 8

B. B. Chemical Co. v. Ellis, et al., 314 U. S. 495, (1942) 6

Carbice Corporation of America v. American Patents Development Corporation, et al., 283 U. S. 420, (1931) 7

Chicago Pneumatic Tool Co., et al. v. Hughes Tool Co., 61 F. Supp. 767, (D. C. Del., 1945) 35

Conmar Products Corporation v. Tibony, 63 F. Supp. 372, (D. C. E. D. N. Y. 1945) 35

Cuno Engineering Corp. v. Automatic Devices Corp., 314 U. S. 84, (1941) 2, 3, 5, 6, 12, 37, 39

Detroit Lubricator Co. v. Toussaint, 57 F. Supp. 837, (D. C. N. D. Ill., 1944) 35

Ethyl Gasoline Corporation, et al. v. United States, 309 U. S. 436, (1940) 18, 19

Exhibit Supply Co. v. Ace Patents Corporation, 315 U. S. 126, (1942) 7, 32

Feinstein v. I. T. S. Co., 68 F. Supp. 15, (D. C. N. D. Ohio, 1946) 35

Florence-Mayo Nuway Co. v. Hardy, et al., 168 F. (2d) 778, (C. A. 4th, 1948) 35

Galion Metallic Vault Co. v. Edward G. Budd Mfg. Co., 169 F. (2d) 72, (C. A. 3d, 1948); cert. den. 69 S. Ct. 132 ..... 8, 23

Girdler Corporation v. E. I. DuPont de Nemours & Co., 56 F. Supp. 871, (D. C. Del., 1944) 35

Graver Tank & Mfg. Co., Inc., et al. v. Linde Air Products Co., 336 U. S. 271, (1949) 38

International Salt Co., Inc. v. United States, 332 U. S. 392, (1947) 6, 7, 15

Johnston v. Atlas Mineral Products Co. of Pennsylvania, 140 F. (2d) 282, (C. A. 6th, 1944)..... 35

Keystone Driller Co. v. General Excavator Co., 290 U. S. 240, (1933).....4, 6, 14, 24, 25

Landis Machinery Co. v. Chaso Tool Co., Inc., 141 F. (2d) 800, (C. A. 6th, 1942); cert. den. 323 U. S. 720.. 35

Leitch Mfg. Co., Inc. v. Barber Co., Inc., 302 U. S. 458, (1938) 7

Lempco Products, Inc., et al. v. Simmons, 140 F. (2d) 58, (C. A. 6th, 1944)..... 35

Mandel Brothers, Inc. v. Wallace, 335 U. S. 291, (1948) 6

Mercoid Corporation v. Mid-Continent Inv. Co., et al., 320 U. S. 661, (1944).....4, 5, 6, 7, 14, 15, 33, 36

Mercoid Corporation v. Minneapolis-Honeywell Regulator Co., 320 U. S. 680, (1944).....
.....4, 5, 7, 14, 15, 16, 17, 20, 21, 22

Morton Salt Co. v. G. S. Suppiger Co., 314 U. S. 488, (1942) 6, 28

Oil Shares Incorporated v. Commercial Trust Company of New Jersey, et al., 304 U. S. 551, (1938)..... 3

Philad Co. v. Lechler Laboratories, Inc., 107 F. (2d) 747, (C. A. 2d, 1939).....8, 18

Precision Instrument Mfg. Co., et al. v. Automotive Maintenance Machinery Co., 324 U. S. 806, (1945)..
.....4, 6, 14, 27

Public Service Commission of Wisconsin, et al. v. Wisconsin Telephone Co., 289 U. S. 67, (1933)..... 3

Sanitary Dist. of Chicago v. Activated Sludge, Inc., et al., 90 F. (2d) 727, (C. A. 7th, 1937); cert. den. 302 U. S. 736..... 18

Special Equipment Co. v. Coe, 324 U. S. 370, (1945)... 35
Stroco Products, Inc. v. Mullenbach, et al., 67 U. S. P. Q. 168, (D. C. S. D. Calif., 1944)..... 36
Sunlite Mfg. Co. v. Clarvan Corporation, 73 F. Supp. 938, (D. C. E. D. Wisc., 1947).....35, 36
Sylvania Industrial Corporation v. Visking Corporation, 132 F. (2d) 947, (C. A. 4th, 1943).....7, 14, 26

STATUTES CITED.

Rule 52(a), Rules of Civil Procedure..... 3
Title 28, U. S. Code, Sec. 1254(1)..... 4
Title 15, U. S. Code, Sec. 15..... 4
Title 15, U. S. Code, Sec. 1..... 14
Title 15, U. S. Code, Sec. 14..... 14

IN THE

Supreme Court of the United States

OCTOBER TERM, 1949.

No. .....

BERNARD EDWARD CO.,

Petitioner,

vs.

DOUGLASS R. FALKENBERG,

Respondent.

PETITION FOR A WRIT OF CERTIORARI.

To the Honorable, the Chief Justice and Associate Justices of the Supreme Court of the United States:

Your Petitioner, Bernard Edward Co., of Chicago, Illinois, respectfully prays for a writ of certiorari to the United States Court of Appeals for the Seventh Circuit, to review the judgment entered by that Court, June 21, 1949 (R. 153 to 160), reported at 175 F. (2d) 427, reversing the judgment of the District Court for the Northern District of Illinois, Southern Division, reported at 79 F. Supp. 417 (R. 107 to 109), in which the District Court adjudged that Claims 14 and 15 of the United States Letters Patent No. 2,409,425, issued to Respondent, Douglass R. Falkenberg, on October 15, 1946 (R. 119 to 127), were invalid.

A certified transcript of the Record in this case is furnished herewith, in accordance with Rule 38 of the Rules of this Court.

Summary Statement of Matters Involved.

This is a suit brought by Respondent, FALKENBERG, for a decree adjudging that Claims 14 and 15 of Falkenberg Patent No. 2,409,425 (R. 119 to 127) are valid and Petitioner has infringed and contributed to the infringement thereof.

The Falkenberg patent in suit relates to a hanger for drapery materials for obtaining a decorative effect in the home (R. 125).

Claim 14 covers a single hanger (mounting). Claim 15, however, covers a pair of hangers (mountings) in combination with a support and, as far as that claim is concerned, the hanger is an unpatented part. Both Petitioner and Respondent manufacture and sell only hangers and do not manufacture or sell a support, which is the window frame. If Claim 15 may be read on Petitioner's structure, Petitioner can be only a contributory infringer, as recognized by Respondent's Complaint (R. 3).

The question of misuse of the patent was presented to the District Court in Petitioner's Brief, but that Court in its decision (R. 107 to 109) passed only on the question of validity. The District Court decided that the claims were invalid because they did not arise to the dignity of invention in accordance with the standards laid down in the case of

Cuno Engineering Corp. v. *Automatic Devices Corp.*, 314 U. S. 84, (1941).

There was no holding in the District Court that the claims in issue were infringed. There was a holding that the *commercial* devices were similar. Respondent then appealed.

The Court of Appeals for the Seventh Circuit passed on all of the defenses raised.

The Court of Appeals held that the claims were valid

and reversed the District Court. The District Court stated that as a result of the decision in

> *Cuno Engineering Corp.* v. *Automatic Devices Corp.*, 314 U. S. 84, (1941),

something additional had been added by the Supreme Court to the tests for invention, but the Court of Appeals rejected that reasoning. Petitioner urged that regardless of the tests used, that is, the tests of the Supreme Court cases, or the tests of later cases by the Court of Appeals for the Seventh Circuit, still the subject matter of the claims in issue did not amount to invention.

It is particularly of note that the Court of Appeals *independently* decided (R. 160) that the claims in suit were infringed, even though the Petitioner can only be guilty of contributory infringement of Claim 15, and even though the District Court made *no* finding of fact or conclusion of law with respect to infringement. This is contrary to Rule 52(a) of the Rules of Civil Procedure. There was also *no* assignment of error with respect to that question by Respondent. Such practice as to findings of fact and conclusions of law has been condemned many times by this Court, for example in

> *Public Service Commission of Wisconsin, et al.* v. *Wisconsin Telephone Co.*, 289 U. S. 67, (1933);
> *Oil Shares Incorporated* v. *Commercial Trust Company of New Jersey, et al.*, 304 U. S. 551, (1938).

The Court of Appeals decided that the claims in suit were not invalidated by any of the patents cited by Petitioner.

The Court of Appeals held that there was no misuse of the patent in suit.

The Court of Appeals decided that there was no file wrapper estoppel as to the claims in suit.

Judgment, therefore, was for Respondent.

Jurisdiction.

The jurisdiction of this Court is invoked under Section 1254 (1) of the Judicial Code of September 1, 1948 (Title 28, U. S. Code) and under the Anti-Trust Laws, Title 15, U. S. Code, Section 15.

Questions Presented.

I. First Question—Misuse.

1. Under the decisions of this Court in

Mercoid Corporation v. *Mid-Continent Inv. Co., et al.*, 320 U. S. 661, (1944);

Mercoid Corporation v. *Minneapolis-Honeywell Regulator Co.*, 320 U. S. 680, (1944);

Keystone Driller Co. v. *General Excavator Co.*, 290 U. S. 240, (1933),

are the Anti-Trust Laws violated *per se* when a patentee uses one combination claim in a patent to control and protect his business in something less than the complete claim of the patent (in other words, in an "unpatented part"), in view of the fact that the same patent contains a claim which is for the part alone?

2. In a suit involving two claims of a patent, where one claim is misused (to protect the sale of an unpatented part insofar as that misused claim is concerned), does such misuse amount to unclean hands to preclude relief as to the other claim, in view of the decisions by this Court in

Keystone Driller Co. v. *General Excavator Co.*, 290 U. S. 240, (1933);

Precision Instrument Mfg. Co., et al. v. *Automotive Maintenance Machinery Co.*, 324 U. S. 806, (1945)?

II. Second Question—Contributory Infringement.

Does the Doctrine of Contributory Infringement extend to a situation where Petitioner is now precluded from manufacturing and selling a drapery hanger of an expired patent, when the infringement is brought about by the user of the hanger placing it *at an angle on a window frame* instead of *horizontally on a window frame*, as is shown in the expired patent?

III. Third Question—"Cuno" Doctrine.

In view of the many decisions of this Court defining invention, including the case of

Cuno Engineering Corp. v. *Automatic Devices Corp.*, 314 U. S. 84, (1941),

which the Court of Appeals said "*we reject,*" but which the District Court followed, do the claims of the Falkenberg patent in issue arise to the dignity of invention?

Reasons for Granting the Writ.

The discretionary power of this Court to grant a writ of certiorari is invoked upon the following grounds:

1. *Conflict with applicable decisions of this Court.*

a. The decision of the Court of Appeals in failing to hold that Claim 15 of the patent in suit is not enforceable because of misuse due to violation of the Anti-Trust Laws (using a combination claim to protect the patentee in sale of something less than the full claim of the patent) is in direct conflict with the decisions of this Court in

Mercoid Corporation v. *Minneapolis-Honeywell Regulator Co.*, 320 U. S. 680, (1944);

Mercoid Corporation v. *Mid-Continent Inv. Co., et al.*, 320 U. S. 661, (1944);

B. B. Chemical Co. v. *Ellis, et al.*, 314 U. S. 495, (1942);
Morton Salt Co. v. *G. S. Suppiger Co.*, 314 U. S. 488, (1942);
International Salt Co., Inc v. *United States*, 332 U. S. 392, (1947).

b. The decision of the Court of Appeals in failing to hold that both Claims 14 and 15 of the patent in suit are not enforceable because of unclean hands with respect to Claim 15 is in direct conflict with the decisions of this Court in

Keystone Driller Co. v. *General Excavator Co.*, 290 U. S. 240, (1933);
Precision Instrument Mfg. Co., et al. v. *Automotive Maintenance Machinery Co.*, 324 U. S. 806, (1945).

c. The decision of the Court of Appeals in reversing the District Court's decision of invalidity is in direct conflict with and, in fact, rejects the decision of this Court relating to the "flash of creative genius" test for invention in

Cuno Engineering Corp. v. *Automatic Devices Corp.*, 314 U. S. 84, (1941),

and also is in conflict with

Mandel Brothers, Inc. v. *Wallace*, 335 U. S. 291, (1948).

d. The Court of Appeals, in holding that the acts of Respondent, in prohibiting the purchase from competitors of an unpatented part, do not violate the Anti-Trust Laws, is in conflict with the judgments of this Court in

Mercoid Corporation v. *Mid-Continent Inv. Co., et al.*, 320 U. S. 661, (1944);

Mercoid Corporation v. *Minneapolis-Honeywell Regulator Co.*, 320 U. S. 680, (1944);
International Salt Co., Inc. v. *United States*, 332 U. S. 392, (1947).

e. The Court of Appeals for the Seventh Circuit, in holding infringement by Petitioner, which at best could have been only contributory infringement, did not follow this Court's decisions in

Mercoid Corporation v. *Mid-Continent Inv. Co., et al.*, 320 U. S. 661, (1944);
Mercoid Corporation v. *Minneapolis-Honeywell Regulator Co.*, 320 U. S. 680, (1944);
Carbice Corporation of America v. *American Patents Development Corporation, et al.*, 283 U. S. 27, (1931);
Leitch Mfg. Co., Inc. v. *Barber Co., Inc.*, 302 U. S. 458, (1938).

f. The Court of Appeals, in holding the claims in issue infringed, is in conflict with the decision of this Court in

Exhibit Supply Co. v. *Ace Patents Corporation*, 315 U. S. 126, (1942).

2. *Conflict with Decisions of Other Courts of Appeals.*

a. The decision of the Court of Appeals, in failing to hold that both Claims 14 and 15 of the patent in suit are not enforceable because of unclean hands and misuse with respect to Claim 15, forbidden by the Anti-Trust Laws, is in direct conflict with the decision of the Court of Appeals for the Fourth Circuit in

Sylvania Industrial Corporation v. *Visking Corporation*, 132 F. (2d) 947, (C. A. 4th, 1943).

b. The Court of Appeals for the Seventh Circuit, in not holding that Respondent's method of doing business

precludes the relief sought, is in conflict with the judgments of the Court of Appeals for the Second, Third and Seventh Circuits in the cases of

Philad Co. v. *Lechler Laboratories, Inc.*, 107 F. (2d) 747, (C. A. 2d, 1939);

Galion Metallic Vault Co. v. *Edward G. Budd Mfg. Co.*, 169 F. (2d) 72, (C. A. 3rd, 1948);

American Lecithin Co. v. *Warfield Co.*, 105 F. (2d) 207, (C. A. 7th, 1939).

c. The Court of Appeals, in holding the claims of the Falkenberg patent in suit valid and in rejecting the *Cuno* Doctrine, is in direct conflict with the judgment of the Court of Appeals in the Eighth Circuit in the case of

The Alemite Company v. *Jiffy Lubricator Company*, Decided August 17, 1949, Case Nos. 13,835 and 13,840 (Not yet reported).

3. *Important Federal Question Which Has Not Been Decided by This Court.*

This Court has never passed on the question of a patentee having one claim of a patent which is misused to extend the monopoly of the patent and the effect thereof on the enforcement of the remaining claims of the patent. This question involves more than the rights of the Petitioner and Respondent—it involves the public at large. The public at large is entitled to be free of illegal extension of patent monopoly with respect to patents having claims therein, some of which, under the decisions of this Court, are not enforceable and others of which, *if valid*, might be enforced if standing alone. Many existing patents are in that category.

Conclusion.

Questions raised by this Petition are important questions in the administration of the Patent Law, particularly with respect to misuse, contributory infringement and the proper tests for invention. It is respectfully submitted, therefore, that this Petition be granted and a writ of certiorari be issued to the Court of Appeals for the Seventh Circuit.

WILL FREEMAN,
Counsel for Petitioner.

W. M. VAN SCIVER,
Of Counsel.
Chicago, Illinois,
September 7, 1949.

IN THE

Supreme Court of the United States

OCTOBER TERM, 1949.

No. .....

BERNARD EDWARD CO.,

Petitioner,

vs.

DOUGLASS R. FALKENBERG,

Respondent.

BRIEF IN SUPPORT OF PETITION FOR A WRIT OF CERTIORARI.

Opinions of the Courts Below.

The Memorandum, Findings of Fact, Conclusions of Law and Judgment of the District Court for the Northern District of Illinois, Eastern Division, appear in the Record at pages 107 and 109, inclusive, reported at 79 F. Supp. 417.

The opinion of the Court of Appeals for the Seventh Circuit was filed June 21, 1949 and appears in the Record at pages 153 to 160, inclusive. It is reported at 175 F. (2d) 427.

Specification of Errors.

The errors which the Petitioner will urge if the writ of certiorari is issued are that the Court of Appeals for the Seventh Circuit erred:

1. In holding that the Falkenberg patent No. 2,409,425 (R. 119 to 127) is not being misused and that there is no violation of the Anti-Trust Laws.

2. In not holding that the owner of a patent having a combination claim therein who does not make, use, sell or install the complete combination, but who makes and sells hangers for use in the combination and requires the purchase from it of hangers not covered by the combination claim, as a condition for obtaining freedom from a possible suit for infringement, is making improper use of the patent and is attempting to create a monopoly in an unpatented device.

3. In holding that the manufacture and sale of a hanger not covered by combination Claim 15, for use in completing the combination, contributes to the infringement of the patent.

4. In rejecting the decision of this Court in

Cuno Engineering Corp. v. *Automatic Devices Corp.*, 314 U.S. 84, (1941),

and thus holding the claims in issue valid.

5. In holding that the claims in issue are valid and patentable over the prior art.

6. In holding that the claims in issue are infringed by the manufacture and sale of hangers by the Petitioner.

Summary of Argument.

The Summary of Argument re-states the reasons relied upon for the allowance of the writ of certiorari (pp. 5 to 8, *supra*).

First Question.

Misuse and Unclean Hands.

In General.

Claims 14 and 15* of the Falkenberg Patent No. 2,409,425 (R. 119 to 127) were the only claims placed in issue by Respondent (R. 15). Claim 15 is a combination claim and includes matter other than the hanger—it includes "a support," which is the window frame (R. 61). Claim 14 is a claim on the mounting or hanger *per se*. Hence the charge in Respondent's complaint of infringement and *contributory infringement* (R. 3).

Respondent, Falkenberg, has granted an exclusive sales distributorship for brackets or hangers to the Kirsh Company (R. 43). As recognized by the court below in its decision (R. 159), neither Petitioner, Respondent, nor the Kirsh Company manufacture or sell window frames or

*14. A mounting forming one of a plurality of similar hangers for the decorative hanging of draperies, comprising a body having a succession of spaced slots intersecting the periphery thereof and forming passages for successively folded portions of the drapery material, the body being further formed with chambers which are continuations of the respective slots and provide for adjustable take-up of the drapery material, the body being formed with an extension serving to support the material exteriorly of the body proper.

*15. In drapery mountings, the combination with a support, of a pair of hangers secured to the support and inclined toward each other, the hangers being formed with chambers having spaced open-ended entrances for the sliding passage into the chambers of folded drapery material whereby there is provided by the chambers a flexible accommodation for material to facilitate selective decorative dependent draping of the material from the hangers.

anything which corresponds to the portion of the claim termed "a support." Neither Petitioner, Respondent or Kirsh Company incline the hangers at an angle or insert the drapery material, as called for by Claim 15.

The fact that the Respondent utilizes combination Claim 15 to control his business in hangers *per se* and has granted an exclusive sales distributorship to the Kirsh Company for the sale of such hangers (R. 43) amounts to an illegal extension of the patent monopoly and thus Respondent's conduct is measured by the Anti-Trust Laws (Title 15, U. S. C., Sections 1 and 14) and not the Patent Laws. Respondent's conduct, which is in violation of the Anti-Trust Laws, amounts to unclean hands rendering the patent unenforceable in its entirety. This is the holding in the cases by this Court of

Mercoid Corporation v. *Mid-Continent Inv. Co., et al.*, 320 U.S. 661, (1944),

Mercoid Corporation v. *Minneapolis-Honeywell Regulator Co.*, 320 U.S. 680, (1944).

It is contended by Petitioner that if one part of the patent is misused the entire patent is unenforceable, in view of the decisions of this Court in

Keystone Driller Co. v. *General Excavator Co.*, 290 U.S. 240, (1933),

Precision Instrument Mfg. Co., et al. v. *Automotive Maintenance Machinery Co.*, 324 U.S. 806, (1945),

and that the decision by the Court below is in direct conflict with those decisions.

The Court of Appeals for the Fourth Circuit applied this Court's ruling in a patent misuse case; namely, in

Sylvania Industrial Corporation v. *Visking Corporation*, 132 F. (2d) 947, (C.A. 4th, 1943).

and the decision of the Court below is in direct conflict with that decision.

Petitioner contends Claim 15 is misused and thus the Fourth Circuit has ruled one way in a patent misuse case and the Seventh Circuit has applied a different ruling, the ruling of the Seventh Circuit being also in conflict with a ruling of this Court.

In its decision, the Court of Appeals for the Seventh Circuit stated (R. 160):

> "* * * The defense of misuse is not sustained because no evidence was presented to prove plaintiff used his patent to secure a monopoly beyond the scope of his grant. * * *"

However, this Court, in the case of

> *International Salt Co., Inc.* v. *United States,* 332 U. S. 392, 396, (1947),

stated as follows:

> "* * * Not only is price-fixing unreasonable, *per se,* * * * but also it is unreasonable, *per se,* to foreclose competitors from any substantial market. * * *"

It follows that, when Respondent uses the patent to prevent Kirsh Company from buying the unpatented (insofar as Claim 15 is concerned) hangers from Petitioner or others, it is *per se* a violation of the Anti-Trust laws and no further proof is necessary for a Court to reach that conclusion. The Court of Appeals disregarded this situation.

The law with respect to misuse of a patent containing a combination claim is summed up by the following decisions of this Court:

> *Mercoid Corporation* v. *Minneapolis-Honeywell Regulator Co.,* 320 U.S. 680, (1944),
>
> *Mercoid Corporation* v. *Mid-Continent Inv. Co., et al.,* 320 U.S. 661, 668, (1944).

In the latter case, the Supreme Court stated:

> "* * * The rule of the Leeds & Catlin Case (No. 2) accordingly must no longer prevail against the defense that a *combination patent is being used to protect an unpatented part from competition.* That result obtains here though we assume for the purposes of this case that Mercoid was a contributory infringer and that respondents could have enjoined the infringement had they not misused the patent for the purpose of monopolizing unpatented material. Inasmuch as their misuse of the patent would have precluded them from enjoining a direct infringement (*Morton Salt Co.* v. *G. S. Suppiger Co., supra*), they cannot stand in any better position with respect to a contributory infringer. * * *" (Emphasis ours throughout.)

Again, in the case of

> *Mercoid Corporation* v. *Minneapolis-Honeywell Regulator Co.*, 320 U.S. 680, 684, (1944),

the Court stated:

> "* * * For as we pointed out in *Mercoid* v. *Mid-Continent Investment Co., supra, a patent on a combination is a patent on the assembled or functioning whole, not on the separate parts.* The legality of any attempt to bring unpatented goods within the protection of the patent is measured by the anti-trust laws not by the patent law. * * *"

The unpatented part insofar as Claim 15 is concerned is the bracket or hanger *per se.* The Court of Appeals apparently did not understand this to be the case, because in the opinion (R. 159-160), the Court stated:

> "It is difficult to follow defendant's reasoning. At one point it seems to refer to the window frame as the unpatented part, but later the bracket is specifically mentioned under that category. However, the bracket referred to in Claim 15 is a patented article. * * *"

It is urged that the Court of Appeals misunderstood because, insofar as Claim 15 is concerned, it is clear that the bracket is not a patented article.

This Court, in speaking of controlling the business or sale of unpatented parts, has referred to such parts as "unpatented" because they are outside of the monopoly granted by the combination claim or claims of the patent involved, even though that part is an element of the combination. This Court said in the case of

Mercoid Corporation v. *Minneapolis-Honeywell Regulator Co.*, 320 U.S. 680, 684, (1944),

"The fact that an unpatented part of a combination patent may distinguish the invention does not draw to it the privileges of a patent. That may be done only in the manner provided by law. However worthy it may be, however essential to the patent, an unpatented part of a combination patent is no more entitled to monopolistic protection than any other unpatented device. For as we pointed out in *Mercoid* v. *Mid-Continent Investment Co., supra,* a patent on a combination is a patent on the assembled or functioning whole, not on the separate parts. The legality of any attempt to bring unpatented goods within the protection of the patent is measured by the anti-trust laws not by the patent law. For the reasons stated in *Mercoid* v. *Mid-Continent Investment Co., supra,* the effort here made to control competition in this unpatented device plainly violates the anti-trust laws, even apart from the price-fixing provisions of the license agreements. It follows that petitioner is entitled to be relieved against the consequences of those acts. It likewise follows that respondent may not obtain from a court of equity any decree which directly or indirectly helps it to subvert the public policy which underlies the grant of its patent. *Morton Salt Co.* v. *G. S. Suppiger Co.*, 314 U. S. 488, 494, 62 S. Ct. 402, 406, 86 L. Ed. 363; *B. B. Chemical Co.* v. *Ellis*, 314 U. S. 495, 62 S. Ct. 406, 86 L. Ed. 367. * * *"

Whether or not the part is the subject of another patent monopoly makes no difference insofar as misuse is concerned.

The case of

Ethyl Gasoline Corporation v. *United States*, 309 U. S. 436, 459, (1940),

is to that effect.

In the case of

Philad Co. v. *Lechler Laboratories, Inc.*, 107 F. (2d) 747, (C. A. 2d, 1939),

it was specifically held that the "unpatented" part need not be a staple article.

Each Patent Claim Is a Separate Monopoly.

The Courts have held in many cases that each claim of a patent is a separate monopoly and that each claim must be separately considered as though it were in a separate patent in determining the questions of infringement and validity. The same should be true in determining the question of misuse. In the case of

Sanitary Dist. of Chicago v. *Activated Sludge, Inc., et al.*, 90 F. (2d) 727, 730, (C.A. 7th, 1937); cert. den. 302 U.S. 736,

the Court held:

> "Appellant with considerable emphasis challenges the correctness of our opinion in the first Milwaukee case. This contention is based on the ruling in *Altoona Theatres* v. *American Tri-Ergon Corporation*, 294 U.S. 477, 55 S. Ct. 455, 79 L. Ed. 1005, wherein *the well known rule is reiterated that each claim of a patent constitutes a separate grant of monopoly, and each must be considered by itself both with respect to validity and infringement.* This, appellant says, we did not do, but that on the contrary we treated all

the claims of all the patents, both process and apparatus, as constituting one method patent. We had no intention of doing so, and we think we did not, * * *."

One patent monopoly may not be exploited to enlarge a second patent monopoly. This Court held in the case of

Ethyl Gasoline Corporation, et al. v. *United States*, 309 U.S. 436, 459, (1940),

"* * * The licensing conditions are thus not used as a means of stimulating the commercial development and financial returns of the patented invention which is licensed, but for the commercial development of the business of the refiners *and the exploitation of a second patent monopoly not embraced in the first. The patent monopoly of one invention may no more be enlarged for the exploitation of a monopoly of another,* see *Standard Sanitary Mfg. Co.* v. *United States, supra, than for the exploitation of an unpatented article, United Shoe Machinery Co.* v. *United States, supra; Carbice Corporation* v. *American Patents Corporation, supra; Leitch Manufacturing Co.* v. *Barber Co., supra; American Lecithin Co.* v. *Warfield Co.*, 7 Cir., 105 F. 2d 207, *or for the exploitation or promotion of a business not embraced within the patent. Interstate Circuit, Inc.* v. *United States, supra*, 306 U. S. at pages 228-230, 59 S. Ct. at pages 475, 476; 83 L. Ed. 610. * * *"

The above cases are clear authority for the proposition; first, that each claim of the patent must be considered as a separate patent monopoly; and second, a patent monopoly of one invention may not be enlarged for the exploitation of a patent monopoly of another invention. Each is a separate patent monopoly or invention.

Respondent, FALKENBERG, (R. 43) testified that he manufactures the brackets and that Kirsh is the "exclusive distributor" (R. 43). Kirsh, the exclusive distributor,

has an exclusive right to sell the patented article. Such a right is the same as an exclusive license to sell and precludes Respondent from selling the bracket to others. The suit brought by Respondent against Petitioner is solely for the purpose of protecting Respondent and Kirsh's exclusive selling rights under a patent containing Claim 15 which, if it were not for Respondent's misuse, might make Petitioner a contributory infringer if, under the Mercoid Doctrine, there still is such a thing as contributory infringement. Since Claim 15 is misused, Claim 14 must receive the same fate in accordance with the equitable maxim of unclean hands.

The "Mercoid" Doctrine.

The decision of this Court in the case of

Mercoid Corporation v. *Minneapolis-Honeywell Regulator Co.*, 320 U. S. 680, 683, (1944),

may be paraphrased to fit exactly into the facts of Respondent's conduct herein with respect to Claim 15, as follows:

> "Neither the petitioner (*Bernard Edward*) nor the respondent (*Falkenberg*) sells or installs the Freeman (*Falkenberg*) system in furnaces (*on window frames*); that is to say, they do not practice the invention. They are competitors in supplying the switch (*bracket*) to control the fan and limit circuits (*to control the draping of material*) employed in such systems. That switch or combustion furnace control (*bracket*) is unpatented[1] and respondent concedes that it is 'less than the complete claimed invention' But, as we have said, the Circuit Court of Appeals took the view that the control (*bracket*) provides 'the sequence of opera-

1. There is some suggestion that this device is patented. But according to the District Court any such patent "is owned by some person other than Minneapolis-Honeywell and Mercoid, so that as to them and so far as this case is concerned, it is an unpatented device."

tions (*control of draping*) which is the precise essence of Freeman's advance in the art.' And the accused device (*bracket*) has, according to the Circuit Court of Appeals, 'no other use than for accomplishing the sequence of operations (*control of draping*) of the Freeman (*Falkenberg*) patent.' The Circuit Court of Appeals concluded that although the combustion furnace control (*bracket*) was unpatented, it served 'to distinguish the invention' and to mark the 'advance in the art' achieved by the Freeman (*Falkenberg*) patent. It accordingly held that the patent laws permit and the anti-trust laws do not forbid the control over the sale and use of the unpatented device (*bracket*) which Minneapolis-Honeywell (*Falkenberg*) sought to achieve through its licensing agreements (*Kirsh exclusive rights*). We do not agree, even though we assume the patent to be valid. * * *"

It is urged that the Court of Appeals in the present case fell into the same error as it did in the case above quoted. In the present case the Court of Appeals stated, (R. 159-160):

"* * * However, the bracket referred to in Claim 15 is a patented article. The bracket of course has to be attached to some kind of support; it cannot be used suspended in thin air. No evidence was offered to suggest that plaintiff sought to have his bracket used as a tie-up with any particular brand or type of window frame, or otherwise sought to enlarge the monopoly given to him. * * * "

Likewise, in the case of

Mercoid Corporation v. *Minneapolis-Honeywell Regulator Co.*, 320 U. S. 680, (1944),

the switch, of course, had to be placed in some kind of a furnace. It could not be used suspended in thin air. Likewise, no evidence was offered that Minneapolis-Honeywell sought to have its switches used as a tie-up with any particular brand or type of furnace.

In the decision below, the Court of Appeals further stated, (R. 160):

> "* * * In the *Mercoid case,* 320 U. S. 661, 680, the royalty payments were based only upon sales of the unpatented stoker switch, and the right to use the patented system was granted only when the stoker switches of licensee were purchased from it and used in the system. * * *"

Likewise, in the present case, the right to use the patented system or combination of Claim 15 is given to the purchaser and user only when Respondent's brackets (non-patented with respect to Claim 15) are purchased from Kirsh Company. In the present case, the purchasers of Kirsh brackets are given an implied license, but it makes no difference whether an implied or express license is given. Neither Kirsh Company nor Respondent could successfully maintain a suit against a user of brackets (the unpatented part of Claim 15) bought from Kirsh Company. However, Respondent could bring suit against any purchaser of the brackets of Petitioner or others, and such purchaser could not plead a license in defense, because of purchase from the patent owner's exclusive distributor. Thus Respondent extends the patent monopoly of Claim 15 over an unpatented part and compels users to buy such unpatented part from his exclusive distributor, Kirsh. Otherwise such user buys with the fear of being charged with infringement of Claim 15. Thus Respondent holds a powerful club over prospective purchasers, yet the patent owner and his distributor sell something less than the full Claim 15. Respondent precludes, by his Claim 15, free competition in the unpatented part of such claim.

This Court in the case of

Mercoid Corporation v. *Minneapolis-Honeywell Regulator Co.,* 320 U. S. 680, 684, (1944),

stated as follows:

> *"The fact that an unpatented part of a combination patent may distinguish the invention does not draw to it the privileges of a patent.* • • •"

Respondent recognized his need of the combination claim to protect his manufacture of the hanger or bracket by bringing suit on that claim and charging Petitioner to be a contributory infringer (R. 3). Attention is directed to the case of

> *Galion Metallic Vault Co.* v. *Edward G. Budd Mfg. Co.*, 169 F. (2d) 72, 75, (C. A. 3rd, 1948); cert. den. 69 S. Ct. 132.

The offering of licenses and the bringing of suit for contributory infringement by a patentee who only manufactures and sells (or has others sell for him, which makes no difference) an unpatented part of the combination claim, is misuse of that claim. The Court of Appeals for the Third Circuit stated:

> "Though our views on the validity issues dispose of this appeal we consider the question of appellant's misuse of the patents of sufficient importance to rule on it. *Pyrene Mfg. Co.* v. *Urquhart*, 3 Cir., 168 F. 2d 310. The District Court found that the claims to both patents were not limited to the truck body and therefore that appellant's practice in connection with the patents was misuse. *Appellant admits that it offers competing body manufacturers 'a license to use Plaintiff's patents in constructing their truck bodies.'* Those truck bodies are not patented. The assertion that the Palmer claim was confined to the truck body is not tenable. The claim itself carefully states that the patent is *a combination of a load carrying platform with a chassis frame in an automobile truck.* It is insisted that references to the truck and the chassis 'were mere orientation or background to define the use of the body on the truck.' That statement is hardly ac-

ceptable from either a reading of the claim or from the other proofs.

* * * * *

"It is obvious that the Biszantz patent is not limited to the truck body. This does not seem to be seriously questioned by appellant. The patent, it is remembered, consists of an adjustable tire support and is actually mounted on the truck chassis.

"Appellant's practice in connection with these patents is not excused, as is argued, by the decision in *Williams Mfg. Co.* v. *United Shoe Machinery Corporation,* 316 U. S. 364, 62 S. Ct. 1179, 86 L. Ed. 1537, which is not applicable to the circumstances before us. * * *"

It is noted that the patent owner merely offered competing body manufacturers a license to use its unpatented load carrying platform in combination with their truck bodies, thus making the complete combination of the patent claim. There is nothing in the decision to show that licenses were actually granted. Therefore, the Court of Appeals of the Third Circuit decided that the offering of licenses and the actual bringing of a suit on a combination claim was sufficient to establish misuse. In the present case, exclusive sales rights were granted and a suit was brought against Petitioner, who was in competition with Kirsh, on the unpatented part (hanger) of Claim 15.

Respondent's conduct clearly establishes misuse of Claim 15.

THE MAXIM OF "UNCLEAN HANDS."

The next question is whether or not Claim 14 of the patent, on the bracket *per se,* changes the situation with respect to the patent being non-enforceable. This Court in the case of

Keystone Driller Co. v. *General Excavator Co.,* 290 U. S. 240, (1933),

had a very similar situation before it. In that case, the unclean hands related to one out of five patents covering devices constituting parts of a ditching machine. One patent, the Clutter patent, was basic and four Downie patents were for improvements. The unclean hands was based on fraud in obtaining only the first Downie patent. There cannot be degrees of unclean hands. Fraud amounts to unclean hands and likewise misuse of a patent amounts to unclean hands. However, the unclean hands in both cases should result in a court of equity denying relief.

This Court did so and the Seventh Circuit did not.

In

Keystone Driller Co. v. *General Excavator Co.*, 290 U. S. 240, 244, (1933),

this Court held:

> "The meaning and proper application of the maxim are to be considered. As authoritatively expounded, the words and the reasons upon which it rests extend to the party seeking relief in equity. 'It is one of the fundamental principles upon which equity jurisprudence is founded, that before a complainant can have a standing in court he must first show that not only has he a good and meritorious cause of action, but he must come into court with clean hands. He must be frank and fair with the court, nothing about the case under consideration should be guarded, but everything that tends to a full and fair determination of the matters in controversy should be placed before the court.' Story's Equity Jurisprudence (14th Ed.) § 98. The governing principle is 'that whenever a party who, as actor, seeks to set the judicial machinery in motion and obtain some remedy, has violated conscience, or good faith, or other equitable principle, in his prior conduct, then the doors of the court will be shut against him *in limine;* the court will refuse to interfere on his behalf, to acknowledge his right, or to award him any remedy.' Pomeroy, Equity Jurisprudence (4th Ed.)

> § 397. This Court has declared: 'It is a principle in chancery, that he who asks relief must have acted in good faith. The equitable powers of this court can never be exerted in behalf of one who has acted fraudulently, or who by deceit or any unfair means has gained an advantage. To aid a party in such a case would make this court the abetter of iniquity.' *Bein* v. *Heath,* 6 How. 228, 247, 12 L. Ed. 416. And again: 'A court of equity acts only when and as conscience commands; and, if the conduct of the plaintiff be offensive to the dictates of natural justice, then, whatever may be the rights he possesses, and whatever use he may make of them in a court of law, he will be held remediless in a court of equity.' *Deweese* v. *Reinhard,* 165 U. S. 386, 390, 17 S. Ct. 340, 341, 41 L. Ed. 757. * * *"

The Court then went on to hold at page 247:

> "The relation between the device covered by the first Downie patent and those covered by the other patents, taken in connection with the use to which plaintiff put the Byers decree, is amply sufficient to bring these cases within the maxim. * * *"

This Court thereupon affirmed the decision of the Sixth Circuit Court of Appeals denying all relief.

The same doctrine was applied by the Court of Appeals for the Fourth Circuit in

> *Sylvania Industrial Corporation* v. *Visking Corporation,* 132 F. (2d) 947, 956, (C. A. 4th, 1943).

In that case the patent owner urged that its improper conduct (because of violation of the Anti-Trust Laws) was confined to the use of only one patent and that the other three patents in suit should not be tainted or held unenforceable because of the misuse of one. The Court rejected such theory and held:

> "* * * The case is within the ruling in *Keystone Driller Co.* v. *General Excavator Co.,* 290 U. S. 240, 54 S. Ct. 146, 78 L. Ed. 293, where five patents relating

to different parts of the same machine were in suit, as to one of which the patentee had corruptly suppressed evidence of an invalidating prior use, and had secured a prior decree of infringement. It was held that the relation of the patents to one another and the use made of the prior decree brought the case within the doctrine that he who comes into equity must come with clean hands; and therefore the cases on all of the patents were dismissed. We are in accord with the conclusion of the District Judge on this point expressed as follows in its memorandum opinion in the pending case: 'The plaintiff and defendant are competitors in the business of manufacturing and selling regenerated cellulose sausage casings. The suit involves four patents, two for the casings *per se* and two for a method of making the casings. The unlawful practices of the plaintiff with reference to the Freund patent have immediate and necessary relation to the equity which the plaintiff seeks in respect of the matter in litigation and such practices cannot be deemed unconnected with the causes of action based on the other three patents.' * * *"

In the case of

Precision Instrument Mfg. Co., et al. v. *Automotive Maintenance Machinery Co.*, 324 U. S. 806, 816, (1945),

this Court again held that inequitable conduct with respect to one of several patents and related contracts impregnated the entire cause of action so as to preclude relief, even where the conduct of the adversary was not entirely free from blame. This Court held:

"* * * The far-reaching social and economic consequences of a patent, therefore, give the public a paramount interest in seeing that patent monopolies spring from backgrounds free from * * * inequitable conduct and that such monopolies are kept within their legitimate scope. The facts of this case must accordingly be measured by both public and private standards of equity. * * *"

The question, therefore, which should be decided here is whether or not the maxim applies to claims in a single patent in the same manner it applies to claims in several different patents. It is respectfully urged that the same maxim should apply for the reasons given above and particularly in view of the well settled rule of patent law that each claim is a separate and distinct monoply, even though in the same patent.

In conclusion with respect to this point, the case of

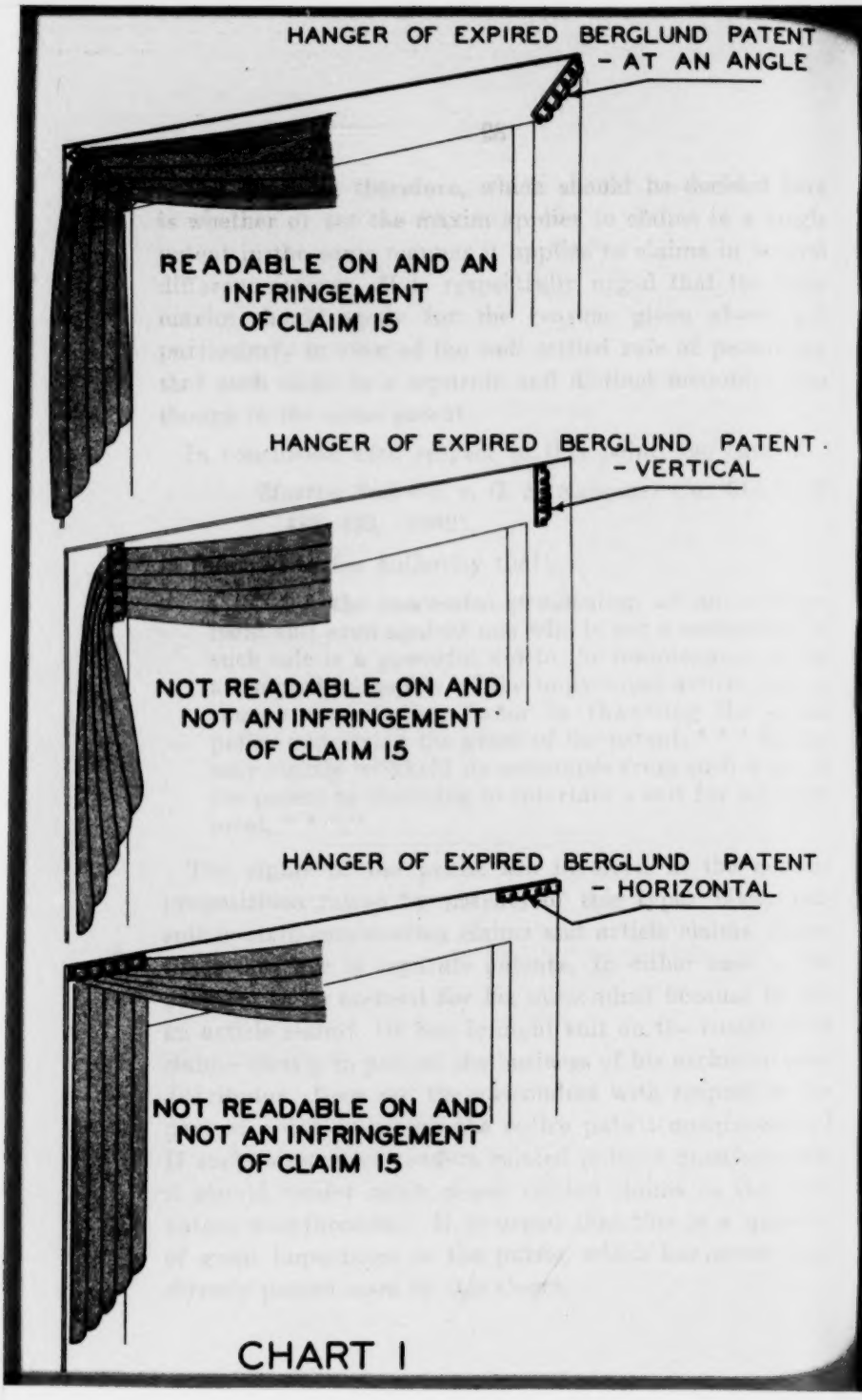
Morton Salt Co. v. *G. S. Suppiger Co.*, 314 U. S. 488, 493, (1942),

is referred to for authority that:

> "* * * the successful prosecution of an infringement suit even against one who is not a competitor in such sale is a powerful aid to the maintenance of the attempted monopoly of the unpatented article, and is thus a contributing factor in thwarting the public policy underlying the grant of the patent. * * * Equity may rightly withhold its assistance from such a use of the patent by declining to entertain a suit for infringement, * * *."

The rights of the public are involved in the general propositions raised by patents of this type. Many patents contain combination claims and article claims. Sometimes they are in separate patents. In either case, is the patentee to be excused for his misconduct because he has an article claim? He has brought suit on the combination claim—clearly to protect the business of his exclusive sales distributor. Does not the misconduct with respect to one part of a patent render the entire patent unenforceable? If such misconduct renders related patents unenforceable, it should render much closer related claims in the same patent unenforceable. It is urged that this is a question of great importance to the public, which has never been directly passed upon by this Court.

AT AN ANGLE
READABLE ON AND AN
INFRINGEMENT
VERTICAL
PATENT
HORIZONTAL
PATENT


HANGER OF EXPIRED BERGLUND PATENT - AT AN ANGLE
READABLE ON AND AN INFRINGEMENT OF CLAIM 15
HANGER OF EXPIRED BERGLUND PATENT - VERTICAL
NOT READABLE ON AND NOT AN INFRINGEMENT OF CLAIM 15
HANGER OF EXPIRED BERGLUND PATENT - HORIZONTAL
NOT READABLE ON AND NOT AN INFRINGEMENT OF CLAIM 15
CHART 1

Second Question.

Contributory Infringement.

The startling effect of the decision by the Court of Appeals in the present case is that Petitioner is precluded from taking two brackets of the expired Berglund Patent No. 1,746,577 (R. 133-136) and mounting them on a window frame, or telling others to mount them on a window frame, inclined toward each other. The framers of the Constitution and the Patent Laws never intended that the public would not be free to use an expired patent which *shows a bracket mounted horizontally on a window frame, and mount a pair of such brackets in an inclined position on a window frame.* (Claim 15 does not state where the inclined brackets are to be mounted on the window frame.) This, however, is the effect of the decision below. Note Chart I. The top figure shows the Berglund hanger at an angle—it reads on Claim 15 and thus would be an infringement thereof in accordance with the decision of the court below. The bottom two figures show the Berglund hanger hung vertically and horizontally and they do not read on Claim 15 and thus, no infringement.

In holding that Petitioner is an infringer of Claim 15, it is clear that Petitioner could be no more than a contributory infringer at best of that claim, since it manufactures and sells less than the full claim, that is only brackets *per se*.

Petitioner's brackets have closed entrances to enlarged chambers for retaining drapery material (Respondent's Exhibit 1, introduced R. 15). The expired Berglund patent likewise has closed entrances to enlarged chambers for the reception of drapery material (R. 133 to 136). In both the Petitioner's device (Respondent's Exhibit 1, introduced R. 15) and in Berglund (R. 135) the material of the bracket must be distorted to permit the drapery material to enter the chambers. In the Falkenberg patent, the chambers are open and, while the claims are very broadly worded, both are limited to open entrances (R. 127). The similarities between Berglund's hanger and Petitioner's and the differences are graphically illustrated in the Charts 2 and 3.

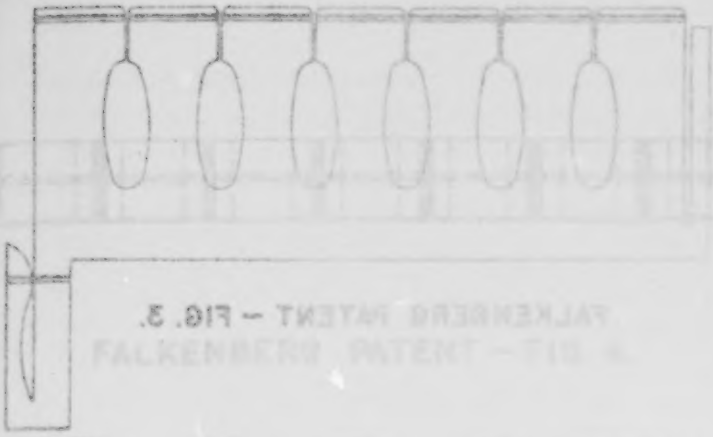
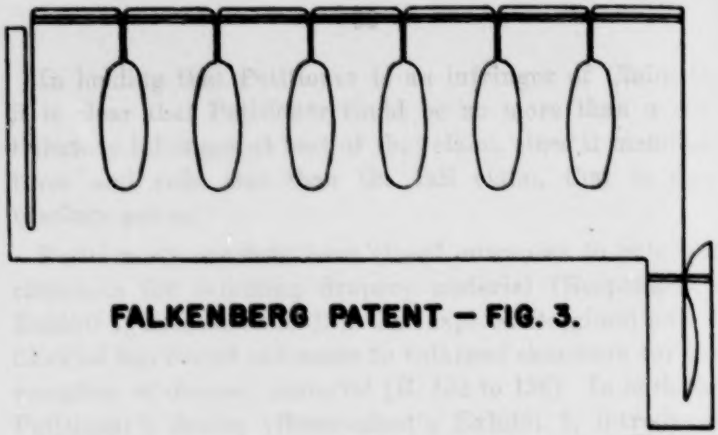


FIG. 3. – FALKENBERG PATENT

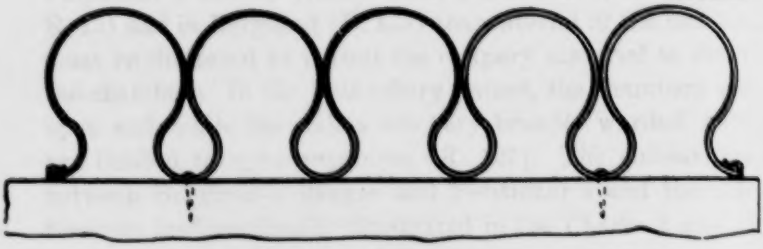
FIG. 2. – BERGLUND PATENT

DEFENDANT'S BRACKET

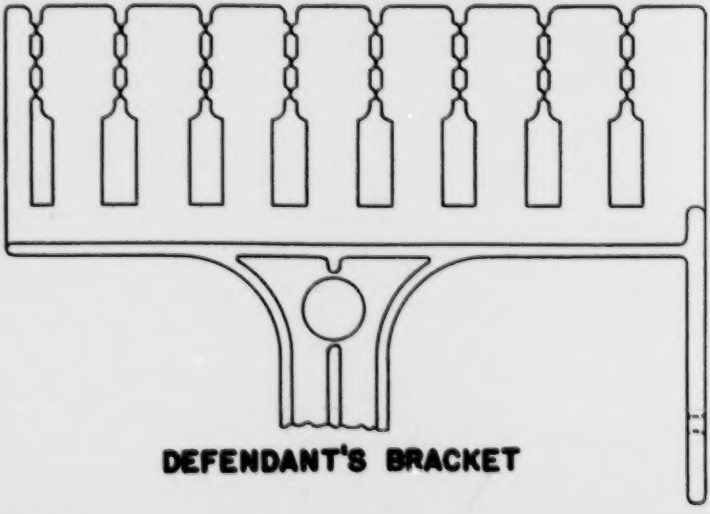
EXHIBIT 2



FALKENBERG PATENT — FIG. 3.



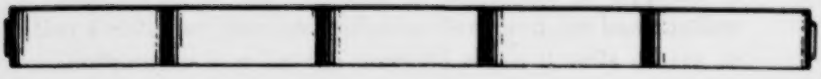
BERGLUND PATENT — FIG. 2.



DEFENDANT'S BRACKET

CHART 2

FALKENBERG PATENT – FIG. 4.



BERGLUND PATENT – FIG. 3.

DEFENDANT'S BRACKET

CHART 3

PALKENBERG PATENT – FIG. 4.

BERGLUND PATENT – FIG. 5.

DEFENDANT'S BRACKET

CHART 3

Claim 15 reads as follows:

> "15. *In drapery mountings, the combination with a support, of a pair of hangers secured to the support and inclined toward each other,* the hangers being formed with chambers having spaced open-ended entrances *for the sliding passage into the chambers of folded drapery material whereby there is provided by the chambers a flexible accommodation for material to facilitate selective decorative dependent draping of the material from the hangers.*"

The portions of Claim 15 which are not italicized is what is sold *by Petitioner and Kirsh Company.* The portions of Claim 15 which are italicized is what *the user* does in his home when he mounts the bracket on a window frame and hangs drapery material thereon.

The result of the decision of the Court of Appeals is that Petitioner, who has followed Berglund (as has another manufacturer now on the market) when it tells others to place the equivalent of the Berglund brackets *at an angle or to incline them* on the window frame, instead of placing them horizontally, as shown by Berglund, is a contributory infringer. Any of Petitioner's or Kirsh Company's users who place the brackets at an angle or inclined on the window frame become direct infringers. Petitioner's users have the threat of infringement hanging over them, but that does not apply to Respondent's distributor's users, because of the protection of Claim 15 of the patent. However, if the brackets are mounted *horizontally or vertically,* the claim does not apply. Petitioner merely sells hangers —the choice and manner of positioning the hanger on a window frame is left entirely to the desire and artistic taste of the user.

The unusual situation here brought about necessitates brief reference to the proceedings before the Patent Office with respect to the patent in suit.

Respondent, in order to read the claims on Petitioner's structure, endeavored to recapture something which he definitely disclaimed during the prosecution of his patent in the Patent Office. The Berglund patent (R. 133 to 136) was cited by the Examiner against claims requested by the Respondent (Petitioner's Exhibit 23). Respondent then distinguished his claims, and particularly by the terms "slots" and "chambers having open-ended entrances." Respondent cannot now assert that the term "slots," or "chambers having open-ended entrances," are not material and specific limitations. The file wrapper of Respondent's patent (Petitioner's Exhibit 23) includes amendments made by the patentee on May 31, 1945, December 8, 1945, and August 22, 1946, which clearly limit the claims to open slots.

Petitioner's structure differs from the Respondent's patent in exactly the same manner that Berglund differs from the Respondent's patent. Petitioner's structure (1) does not have slots or passages permitting free communication with the pockets; (2) it is necessary to warp and distort the bracket to permit passage of material into the pockets; and (3) because the bracket is warped for inserting the drapery material, the material is thereafter clasped therein.

The decision of this Court in

Exhibit Supply Co. v. *Ace Patents Corporation,* 315 U. S. 126, (1942),

supports our position that Respondent is now estopped from asserting for Claims 14 and 15 a scope sufficiently broad to embrace Petitioner's structure.

Respondent, FALKENBERG, is not the first to place a drapery bracket on a window frame (R. 26). Obviously, placing the Berglund brackets at an angle would not arise to the dignity of invention, even in the absence of any

prior art. That is a matter purely within the desire and artistic taste of the user of the bracket. These brackets are used either vertically or at an angle (R. 45). When used vertically or horizontally, Claim 15 does not apply. Again, neither Petitioner nor Respondent carry out the full statutory monopoly of Claim 15. Respondent however gets the full benefit of such statutory monopoly in the sale of the unpatented part of Claim 15 and does so because his users have no fear.

This clearly brings home the seriousness of the Court of Appeals' decision, because it forbids Petitioner from making hangers or brackets which may or may not bring about reading of Claim 15 on them, *depending entirely on what the user does with the hanger,* which is the unpatented part of Claim 15. The Court below was in error in not distinguishing between infringement and contributory infringement.

This case, therefore, is a glaring example of the danger brought about by contributory infringement. This question should be settled once and for all by the Supreme Court. Since the announcement of the "Mercoid" doctrine by this Court, the Patent Bar and the lower Federal Courts have been in great confusion as to whether there is any such thing as the Doctrine of Contributory Infringement and, if so, what is left of that doctrine. In the case of

> *Mercoid Corporation* v. *Mid-Continent Inv. Co., et al.,* 320 U. S. 661, 668, (1944),

Justice Douglas, in discussing the question of contributory infringement, stated that:

> "* * * The rule of the Leeds & Catlin case (No. 2) accordingly must no longer prevail against the defense that a combination patent is being used to protect an unpatented part from competition. * * *
>
> "The result of this decision, together with those

which have preceded it, is to limit substantially the doctrine of contributory infringement. What residuum may be left we need not stop to consider. * * *"

Justice Black, in his concurring opinion with Justice Douglas, at page 673, and in disagreeing with the dissenting opinion, stated as follows:

"If there is such a wrong as contributory infringement, it must have been created by the federal patent statutes. Since they make no direct mention of such a wrong, its existence could only be rested on inferences as to Congressional intent. In searching for Congressional intent we ordinarily look to such sources as statutory language and legislative history. The dissent in question mentions neither of these guides; in fact, it mentions no statute at all. * * *

"It has long been recognized that a socially undesirable practice may seek acceptance under the guise of conventional moral symbols. And repeated judicial assertion that a bad practice is hallowed by morals may, if unchallenged, help it to receive the acceptance which it seeks. With this in mind, I wish to make explicit my protest against talking about the judicial doctrine of 'contributory infringement' as though it were entitled to the same respect as a universally recognized moral truth."

Justice Jackson, in his opinion, at page 680, likewise said:

"* * * In these circumstances I think we should protect the patent owner in the enjoyment of just what he has been granted—an abstract right in an abstruse combination—worth whatever such a totality may be worth. I see no constitutional or statutory authority for giving it additional value by bringing into its monopoly all or any of the unpatentable parts.

"For these reasons I agree with the Court that no case of infringement could have been made out had the issue been raised when it was timely. * * *"

The fact that the lower courts throughout the United States are in confusion with respect to the subject is shown by the following tabulation, which is broken down into "dictum cases" and cases "on the point":

I. Dictum Cases

A. Cases indicating that doctrine of contributory infringement is not completely eliminated.

Chicago Pneumatic Tool Co., et al. v. *Hughes Tool Co.*, 61 F. Supp. 767 (D. C. Del., 1945);

Feinstein v. *I. T. S. Co.*, 68 F. Supp. 15 (D. C. N. D. Ohio, 1946);

Girdler Corporation v. *E. I. DuPont de Nemours & Co.*, 56 F. Supp. 871 (D. C. Del., 1944);

Johnston v. *Atlas Mineral Products Co. of Pennsylvania*, 140 F. (2d) 282 (C. A. 6th, 1944).

B. Cases indicating doctrine is completely abolished.

Special Equipment Co. v. *Coe*, 324 U. S. 370, (1945);

Landis Machinery Co. v. *Chaso Tool Co., Inc.*, 141 F. (2d) 800, (C. A. 6th, 1942), cert. den. 323 U. S. 720;

Lempco Products, Inc., et al. v. *Simmons*, 140 F. (2d) 58, (C. A. 6th, 1944);

Sunlite Mfg. Co. v. *Clarvan Corporation*, 73 F. Supp. 938, (D. C. E. D. Wisc., 1947).

II. Cases on the point

A. Cases in which the relief granted depended upon recognition of existence of the doctrine.

Conmar Products Corporation v. *Tibony*, 63 F. Supp. 372, (D. C. E. D. N. Y., 1945);

Detroit Lubricator Co. v. *Toussaint*, 57 F. Supp. 837, (D. C. N. D. Ill., 1944);

Florence-Mayo Nuway Co. v. *Hardy, et al.*, 168 F. (2d) 778, (C.A. 4th, 1948).

B. Cases holding that doctrine no longer exists.

Stroco Products, Inc. v. *Mullenbach, et al.*, 67 U. S. P. Q. 168, (D. C. S. D. Calif., 1944).

It is interesting to note that, in the case of

Sunlite Mfg. Co. v. *Clarvan Corporation*, 73 F. Supp. 938, 940, (D. C. E. D. Wisc., 1947),

Judge Duffy, then sitting as a District Judge, stated as follows:

> "In view of the decision of the Supreme Court in *Mercoid Corp.* v. *Mid-Continent Investment Co.*, 320 U. S. 661, 64 S. Ct., 268, 88 L. Ed. 376, it may well be doubted whether the doctrine of contributory infringement longer exists as an element in the patent law of this country. * * *"

However, Judge Duffy, when he wrote the decision of the Court of Appeals for the Seventh Circuit in the present case, disregarded the fact that Petitioner was at most a contributory infringer of Claim 15 of the Falkenberg patent, in order to hold Petitioner guilty of infringement of that claim.

Another indication of confusion with respect to the doctrine is found in the fact that a bill by Representative Celler (H. R. 3866, introduced May 29, 1949), has been introduced into Congress, which attempts to overcome the confusion and by statute to define contributory infringement and make a contributory infringer liable. This bill has been referred to the Committee on the Judiciary. As stated by Justice Black in the case of

Mercoid Corporation v. *Mid-Continent Inv. Co., et al.*, 320 U. S. 661, (1944),

there is nothing at present in the patent statutes or in the legislative history thereof which defines contributory infringement, or indicates that there is any such doctrine.

Petitioner is prevented from mounting a hanger of an

expired patent at an angle on the window frame, rather than horizontally thereon. To restrict Petitioner as the Court below did is to legalize and protect the Respondent and his distributor in the manufacture and sale of an unpatented part, insofar as Claim 15 is concerned, and what this Court has said is measured by the Anti-Trust Laws and not the Patent Laws.

Third Question.

The Court Below Rejected This Court's "Cuno" Decision.

The Trial Court held that Claims 14 and 15 of the Falkenberg patent did not meet the tests for invention set forth by this Court in

Cuno Engineering Corp. v. *Automatic Devices Corp.*, 314 U. S. 84, (1941).

The District Court, after quoting from this Court's decision above referred to, concluded:

"Therefore Claims 14 and 15 of Patent No. 2,409,425 are declared invalid for lack of invention * * *."

The Court of Appeals for the Seventh Circuit in reversing the Trial Court's holding of invalidity, said (R. 155):

"We hold that the trial court herein erred in construing the phrase, 'flash of genius,' as adding a test for invention of a higher degree or superior to that which would have produced patentable invention under the law as it existed prior to the date of the *Cuno decision*. As we have done heretofore (*Chicago Steel Foundry Co.* v. *Burnside Steel Foundry Co., supra*), *we reject* the flash of genius test. * * *"

The overruling of the Trial Court's decision of invalidity by the Court of Appeals was brought about by the Court of Appeals *rejecting this Court's decision in*

Cuno Engineering Corp. v. *Automatic Devices Corp.*, 314 U. S. 84, (1941).

Such decision is also in conflict with the holding of the Court of Appeals for the Eighth Circuit in

The Alemite Company v. *Jiffy Lubricator Company,* (C. A. 8th Decided August 17, 1949—not yet reported).

The Court there said:

"Implications favorable to the plaintiff which might, perhaps, be drawn from some of the statements of this Court in *Stewart-Warner Corporation* v. *Jiffy Lubricator Co., supra* (81 F. 2d 786), must be considered in the light of the more recent decisions of the Supreme Court raising the standards of originality necessary to sustain a patent. That such standards have been raised has been expressly recognized by the Circuit Court of Appeals of the Second Circuit in *Picard* v. *United Aircraft Corporation,* 128 F. 2d 632, 636, certiorari denied 317 U. S. 651, and by this Court in *Frank Adam Electric Co.* v. *Colt's Patent Fire Arms Mfg. Co.,* 8 Cir., 148 F. 2d 497, 502-503, and *Koochook Co., Inc.* v. *Barrett,* 8 Cir., 158 F. 2d 463, 466-467. What was said in those cases need not be repeated. The present attitude of the Supreme Court toward claimed patentable improvements may be gathered from *Cuno Engineering Corp.* v. *Automatic Devices Corp., supra* (314 U. S. 84), and the more recent cases of *Jungersen* v. *Ostby & Barton Co.,* 335 U. S. 560, and *Mandel Brothers, Inc.,* v. *Wallace,* 335 U. S. 291.

"Since it is our opinion that the evidence, viewed in the aspect most favorable to the plaintiff, does not sustain the conclusion that the Johnsons' contribution to the art of lubrication rose to the level of patentable invention, it is unnecessary to consider other questions. * * *"

This Court, also, as recently as February 28, 1949, in the case of

Graver Tank & Mfg. Co., Inc. et al. v. *Linde Air Products Co.,* 336 U. S. 271, (1949),

measured invention by the standards announced in

Cuno Engineering Corp. v. *Automatic Devices Corp.*, 314 U. S. 84, (1941).

In the same case this Court gave consideration to claims held invalid by the Trial Court, which decision was reversed by the Court of Appeals. This Court said:

> "The same deference is due to the findings of the trial court which overturn claims as to those which sustain them. * * *"

The Trial Court in this case heard all of the evidence and it was its conclusion, measured by the standards set forth by this Court, that the claims in issue were invalid for lack of invention. The Trial Court's findings should be given the deference to which they are due.

Conclusion.

It is respectfully submitted that the petition for writ of certiorari to the United States Court of Appeals for the Seventh Circuit should be granted.

Respectfully submitted,

WILL FREEMAN,
Counsel for Petitioner.

W. M. VAN SCIVER,
Of Counsel.
Chicago, Illinois,

September 7, 1949.